TRANSMITTAL LETTER FOR MANUAL RELEASES

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE
BENEFICIARY SERVICES ADMINISTRATION
DIVISION OF ELIGIBILITY SERVICES
201 WEST PRESTON STREET
BALTIMORE, MARYLAND 21201

410-767-1463 **1-800-492-5231 extension 1463**

MANUAL: Medical Assistance **EFFECTIVE DATE: July 1, 2004**

RELEASE NO: MR-119 **ISSUED: June 2004**

APPLICABILITY: verification that parental care was provided; noncovered services; transfer of additional resources to community spouse; increased personal needs allowance; enhanced Table of Contents for long-term care forms and notices; spousal impoverishment standards

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Item	**Remove Pages**	**Insert Pages**
Chapter 8 – Resources (verify provision of parental care - address of Division of Eligibility Services)	800-99 – 800-100	800-99 – 800-100
Chapter 9 – Financial Eligibility for Non-Institutionalized Persons (noncovered services)	Appendix II 900-31 – 900-32	Appendix II 900-31 – 900-32
Chapter 10 – Eligibility for Institutionalized Persons		
· (transfer of additional resources to community spouse)	1000-17 – 1000-18	1000-17 – 1000-18
· (personal needs allowance)	1000-21 – 1000-22	1000-21 – 1000-22
· (Appendix B – Table of Contents – Long-Term Care Forms and Notices)	1000-95	1000-95 – 1000-99
Schedules (Schedule MA-8 Spousal Impoverishment Standards)	Schedule MA-8	Schedule MA-8

COMMENTS

In Chapter 8, the local department is instructed to forward for review by the DHMH Division of Eligibility Services (DES) any verification that parental care was provided by an institutionalized person's son or daughter for at least two years prior to the parent's institutionalization. This MR corrects the address of DES to which the local department submits verifications for review. This verification is necessary in order for the local department to determine whether to penalize a transfer of home property to the son or daughter who currently resides in the home and has resided there for at least two years before the parent's institutionalization.

Appendix II to Chapter 9 is updated about medical or remedial services that Medical Assistance (MA) either does not cover or covers with limitations. This section does not address services which a HealthChoice managed care organization may choose to cover under its benefit plan, but are not covered under the MA State Plan. Specific questions about MA covered services may be addressed to the DHMH MA Recipient Hotline at 410-767-5800 or 1-800-492-5231. A general list of MA covered services is available on the DHMH Internet site under "Medical Assistance Eligibility and Benefits" at:

www.dhmh.state.md.us/mma/mmahome

In Chapter 10, MR-119 clarifies that a transfer of additional resources by an institutionalized spouse to the community spouse does not result in ineligibility for the institutionalized spouse if the community spouse's resources:

- Were below the minimum spousal share (see Schedule MA-8) at the time of the determination of the spousal share; and
- Would remain below the minimum spousal share if additional resources were transferred.

Chapter 10 is updated, effective July 1, 2004, with an increase in the personal needs allowance for Medical Assistance recipients in long-term care to: $60 per month for individuals and $120 per month for couples.

The Table of Contents to Appendix B of Chapter 10 is enhanced with a description of how to use each of the long-term care forms and notices and whether each form or notice is necessary or optional.

MA-8 Schedule is updated with new Spousal Impoverishment Standards, effective July 1, 2004. The community spouse's Basic Maintenance and Shelter Allowance and the Excess Shelter Standard are increased each year, effective July 1.

- Son or daughter of any age who is blind or disabled; or
- Son or daughter who currently resides in the home and resided there for a period of at least two years immediately before the date the person become institutionalized, and who can verify that he/she provided the care which enabled the institutionalized parent to reside at home rather than in an institution.

Verification that Parental Care Was Provided

If a son or daughter claims that he/she provided care for at least two years prior to the person's institutionalization which enabled the parent to remain in the home rather than in an institution, he/she must provide documentation to support that claim. In addition, he/she must verify that the parent needed nursing home care during that period of time. The LDSS must forward the documentation of these facts to:

Department of Health and Mental Hygiene
BSA-Division of Eligibility Services
201 West Preston Street, Room SS-10
Baltimore, Maryland 21201

The Division of Eligibility Services will determine whether or not the evidence submitted fully documents the son's or daughter's claim of providing the necessary care

to the person. The required verification includes the following:

(a) Utility bills, automobile registration, or other documents containing name and address and dated 24 months prior to institutionalization to verify that the son or daughter resided in the home at that time;

(b) Written verification from the attending physician stating the person's medical and physical condition was such that he/she needed long-term care over the 24-month period; and

(c) A statement from the son or daughter stating he/she:

- Quit job to care for parent (must have letter from former employer); or

- Provided for the parent's care while at work by:

    - Hiring a nurse to care for parent (must be verified by nurse or agency through which nurse was employed)

Appendix II. - Medical Services Not Covered or Covered With Limitations

Certain services, that are recognized by State law as medical or remedial services, are not covered or are covered with limitations under the Maryland Medical Assistance Program's State Plan. Some of these services may be covered under HealthChoice as an optional service by a recipient's Managed Care Organization (MCO). Also, the individual may have private health insurance or other third party coverage for the service or item.

In order for the incurred medical expenses to be considered for retroactive or current spend-down eligibility, it must be verified that the service or item is not covered by Medical Assistance, the recipient's MCO, or any other coverage for the individual. When considering expenses incurred prior to the period under consideration, proof that the expenses remain unpaid and the individual's obligation must be obtained from the provider. For an expense to be considered for spend-down eligibility, the applicant must present the MA eligibility case worker with a current bill or receipt specifying the:

- Item or service,
- Date of purchase or service, and
- Provider's charge and the amount still owed by the individual.

The individual must also provide the MA eligibility case worker with verification that the item or service is not covered by Medical Assistance, an MCO, or any other party. To verify that the item or service is not covered by Medical Assistance or by any other insurance for the individual, the provider should submit the bill for payment and receive notice of payment rejection.

Call DHMH through the MA Recipient Hotline (410-767-5800 or 1-800-492-5231) with any questions about Medical Assistance covered services or limitations.

A. Services Not Covered

The noncovered services include, but are not limited to, the following:

- Christian Science nurses or facilities
- Experimental or investigational surgery or treatments
- Eyeglasses (except for children)
- Eyeglasses repair or adjustment
- Hearing aids and audiology services (except for children)
- Hypnosis

B. Services Covered With Limitations

Some services are covered by the Medical Assistance Program but with certain limitations. These services may only be covered for certain groups of people, under particular circumstances, or with a certain frequency. Following is a list of some of these services:

- Assisted living services
- Chiropracter's services
- Dental services and dentures
- Environmental accessibility adaptations
- Occupational therapy
- Physical therapy
- Podiatrists
- Private duty nurses
- Respite care
- Speech therapy
- Vision care services

transfer (e.g., when a court is involved in assigning a couple's property through support actions, etc.), additional time may be granted based on the individual case situation. The case must be flagged to make sure the transfer takes place at the earliest possible time.

When an eligible institutionalized spouse has additional resources, the resources will not result in ineligibility when one or both of the following conditions exist:

- The new resources, combined with other resources the institutionalized spouse intends to retain, do not exceed the resource limit for one person; and/or
- The institutionalized spouse intends to transfer, within the protected period, new resources to a community spouse, if the community spouse's resources:
  - Were below the minimum spousal share at the time of the determination of the spousal share; and
  - Would remain below the minimum spousal share if additional resources were transferred (Schedule MA-8).

If the new resources are promptly reported to the local department along with a statement of intent to transfer, a protected period of 90 days begins from the date of receipt of the resources. No protected period exists when, as of the date that the new resources are received, the community spouse already has in his/her name resources equal to or greater than the minimum spousal share.

Those resources owned by the institutionalized spouse and not transferred out of his/her name will be used to determine continuing eligibility, even if they had been attributed to the community spouse during the eligibility

determination. Resources held by an institutionalized spouse will not be counted in a redetermination if the resources are transferred to any party for which there is no penalty for failure to receive fair market value, or if the institutionalized spouse receives fair market value for the transferred resources within 30 days.

There are three instances in which the amount of resources to be protected for a community spouse may be increased. These are:

1. If it is determined by a hearings officer that the income generated from the spousal share is inadequate to meet the community spouse's monthly maintenance needs;
2. If either member of the couple alleges that the initial determination was incorrect and the allegation is confirmed by a hearings officer; or
3. If it is determined by the LDSS that inaccurate information was provided when the spousal share was calculated.

Income that is received on a regular basis in a constant amount is considered based on documentation from the source of income. This includes benefits such as Social Security, pensions, V.A. benefits, etc.

Income that is variable in amount or is received less frequently than once a month is projected throughout the period under consideration based on the amounts received in the twelve months prior to the period under consideration, or on projections documented by the source of such income. This projection for the period under consideration is then converted to average monthly amounts. This type of income includes interest, dividends, one time only income, lump sum benefits, etc.

For current eligibility, the monthly amount of regular income plus the average monthly amount of variable income equals the total monthly income.

For a retroactive month, total monthly income is the amount actually received in the month.

Determining Monthly Available Income

To determine monthly available income, begin with the total monthly income as determined above and deduct the following, in the following order:

1. A **Personal Needs Allowance** of **$60** per month for an individual or **$120** for an institutionalized couple (if both spouses are institutionalized and are aged, blind, or disabled, and their income is considered available to each other in determining eligibility); **Effective 7/1/04**

2. A **Residential Maintenance Allowance**;

3. A **Spousal Allowance**;

4. Either a **Family Allowance** for minor or dependent children, dependent parents, or dependent siblings of the institutionalized or community spouse who are residing with the community spouse; or a **Dependent Allowance**, as appropriate;

5. **Incurred expenses for medical care or remedial services** for the institutionalized spouse that are not subject to payment by a third party, including:

   (a) Medicare and other health insurance premiums, deductibles or co-insurance charges; and

   (b) Necessary medical care or remedial services recognized under State law but not covered under the Medical Assistance State Plan.

The personal needs allowance is always deducted first to insure that the institutionalized person has this money available to **him/her even if the remaining income is insufficient to cover the other deductions.**

An SSI recipient is categorically needy and, as such, does not require a determination of income eligibility; however, available income must be calculated. SSI supplements a recipient's monthly income to allow the person's income to meet the SSI standard, which is $30 for an institutionalized individual. In the first month of institutionalization, the SSI recipient is given the Personal Needs Allowance and Residential Maintenance Allowance (refer to pp. 1000-24 & 25). Since these two deductions are substantially greater than the SSI standard, there is no remaining income in the month of admission. Consequently, the SSI recipient has no income to contribute towards his/her COC. Beginning the second month of institutionalization, if an SSI recipient has no monthly income other than the SSI benefits, the SSI benefits are reduced to the SSI standard, which is less than the MA Personal Needs Allowance. Thus, the person will continue to have nothing to contribute to his/her COC.

If an individual receives other non-excluded monthly income in addition to SSI benefits, the person's other monthly income is considered. The LDSS should require an application form to collect the information necessary to make an available income calculation.

To determine which deductions are applicable and the appropriate amount of each deduction, use the following guidelines:

1. Personal Needs Allowance

This is an allowance to enable the person to meet daily living expenses in the LTCF that are not covered by the Program.

- For each institutionalized person, the allowance is **$60** per month. For an institutionalized couple, the allowance is **$120** per month. Effective 7/1/04
- For a person who resides in an intermediate care facility for the mentally retarded or mental institution and receives pay for therapeutic work activities, the personal needs allowance is $100.00. If documented work expenses exceed this amount, additional allowance may be made for these up to the MNIL.

2. Residential Maintenance Allowance

This is a deduction to enable a lone person to maintain a community residence. A lone person is one who does not have a spouse or dependent children at home. This allowance is given if the person must pay expenses such as rent, mortgage, taxes or utilities in order to maintain his community residence.

Appendix B
Table of Contents
Long-Term Care (LTC) Forms and Notices

1. **DES 601A (LTC)** - Spousal and Family Allowance Worksheet
   Optional
   - This worksheet is used in determining the monthly maintenance allowance for a spouse (see pages 1000-27 – 1000-30) or the monthly maintenance allowance for a family (see pages 1000-30 – 1000-31).

2. **DES 601 B (LTC)** - Dependent Allowance Worksheet
   Optional
   - This worksheet is used in determining the monthly maintenance allowance for a dependent child, when the institutionalized individual does not have a spouse living in the community (see pages 1000-32 – 1000-33).

3. **DES 602 (LTC)** - Notice – Consideration of Resources in Continuing Eligibility
   Optional
   - Notice indicating a couple's total combined resources and the amounts attributed to the institutionalized individual and to the community spouse. It also advises the community spouse of the 90-day time frame to transfer certain resources of the institutionalized spouse into the community spouse's name (see pages 1000-11 - 1000-16).

4. **DES 2000 (LTC)** - Physician's Statement of Incapacitation
   Optional

- The eligibility technician (ET) uses this form when it is necessary for the customer's physician to verify that an applicant/recipient is not capable of participating in the application process, so a representative is needed to complete and sign the application and otherwise act in the customer's behalf in the application process.

5. **DES 2001 (LTC)** - Request for Life Insurance Information

Optional

- Form signed by the applicant authorizing release of information specific to life insurance from an insurance company to the local department of social services (LDSS).

6. **DES 2002 (LTC)** - Consent to Release Information to LDSS

Optional

- Form signed by the applicant authorizing release of information to the LDSS.

7. **DES 2003 (LTC)** - Income and Shelter Expense Reporting Form for Community Spouse

Optional

- Form used by community spouse stating the amount of income he/she receives and the amount of his/her shelter expenses, for use in determining the spousal maintenance allowance.

8. **DES 2004 (LTC)** - Representative's Statement

Optional

Form with two optional sections.

- In the first section the applicant/recipient indicates who is to act as the representative. It is signed, by both the applicant/recipient and

the representative, agreeing to provide information to the LDSS.

- The second section is completed and signed by the representative, when the applicant/recipient is unable to sign the form, agreeing to provide information to the LDSS.

9. **DES 2005 (LTC)** - Consent for Release of Information to long-term care facility (LTCF)

Necessary

- Form signed by the applicant/recipient authorizing the LDSS to release information regarding the case to the LTCF.

10. **DHMH 4210 (LTC)** - Notice of Ineligibility for Non-Financial Reasons

Necessary

- This notice is used when the applicant/recipient is not eligible for MA due to non-financial reasons. It advises the applicant/recipient of the reactivation date. When needed, it may indicate that the applicant/recipient is within the income and asset scales but a DHMH 257 with the level of care certification has not been received by the LDSS. This manual notice is to be used until the appropriate LTC notice is available through CARES.

11. **DHMH 4235 (LTC)** - Notice of Ineligibility due to Excess Resources or Disposal of Resources

Necessary

- This notice is used to advise the applicant/recipient that the resources exceed the allowable resources standard, or that resources were transferred or otherwise disposed of for less

than fair market value. There is space to list the resources and the value of each. This manual notice is to be used until the appropriate LTC notice is available through CARES.

12. **DES 100 (LTC)** - Explanation of Ineligibility due to Excess Resources – Attachment to DHMH 4235

Necessary

- This is an **attachment to the DHMH 4235** notice for recipients. It indicates that MA is cancelled due to excess resources, gives the amount of overscale resources, specifies the effective date of cancellation, and advises the individual that benefits may be restored if the excess amount of the resources is used to reimburse the Medicaid program for its payments (see pages 800-12 – 800-15).

13. **DHMH 4245** - Physician Report

Necessary

- Form completed by the applicant/recipient's physician indicating how long the physician anticipates the individual will remain in the LTCF. It is used as part of the consideration of home property and a residential maintenance allowance.

14. **DHMH 4255 (LTC)** - Home Exclusion – Statement of Intent

Necessary

- This form is completed whenever a person has home property. It indicates the institutionalized person's intent to return to the home property (see pages 800-17 – 800-18). It is used as part of the consideration of home property and a residential

maintenance allowance.

15. **DHMH 4343** - Declaration of Joint Bank Account Ownership Interest

Optional

- This form is completed and signed by the applicant/recipient and any co-owners who have a bank account(s) or other liquid assets in common. The owners must also indicate their ownership interest in each account (see pages 800-47 – 800-57).

NOTE: An **optional** form or notice is used at the discretion of the eligibility technician as necessary for a case. A **necessary** form or notice is required to be used for the stated purpose.

Schedule MA-8

Spousal Impoverishment Standards

	Resources	Effective
Maximum Spousal Share	$92,760	1/1/04
Minimum Spousal Share	$18,552	1/1/04

	Income	Effective
Basic Maintenance and Shelter Allowance	$1,562	7/1/04
Excess Shelter Standard	$ 469	7/1/04
Maximum Maintenance and Shelter Allowance (Sum of Basic Maintenance and Shelter Allowance and Excess Shelter Allowance)	$2,319	1/1/04
Utility Standards:		
Heat included in rent	$ 158	1/1/04
Heat paid separately from housing	$ 262	1/1/04